

Safety-Kleen Systems Inc. is pleased to comment on 16 CFR Part 311, “Test Procedures and Labeling Standards for Recycled Oil”. Safety-Kleen re-refines about 160 million gallons of used oil each year. The primary product is lubricating oil which meets API’s motor oil specifications.

1) Is there a continuing need for the Rule as currently promulgated?

Yes. The purpose of the rule is stated to be 1) to encourage the recycling of used oil; 2) to promote the use of recycled oil; 3) to reduce the consumption of new oil by promoting increased utilization of recycled oil, and 4) to reduce environmental hazards and wasteful practices associated with the disposal of used oil.

The DOE, in conjunction with the EPA, recently completed a report “Used Oil Re-refining Study to Address Energy Policy Act Of 2005 Section 1838”. The major conclusions of the study are that re-refining used oil provides the benefits outlined above and that there remains a need to encourage recycling of used oil and to promote the use of recycled oil.

2) What benefits has the Rule provided to purchasers of the products or services affected by the Rule?

The Rule defines the criteria that re-refined oil must meet to be “substantially equivalent” to new oil. This provides end users with assurance that the oil will perform as intended in their vehicles.

3) Has the Rule imposed costs on purchasers?

None that we are aware of.

4) What changes, if any, should be made to the Rule to increase the benefits of the Rule to Purchasers?

The American Petroleum Institute (API) is the body that licenses motor oil approvals. Licensing standards change from time to time. The Rule should reference the API standard in a way that updates to the standard are incorporated in the Rule. In addition, consideration should be given labeling changes that emphasize the re-refined motor oil is “recycled” and environmentally preferable to other end uses of used motor oil, requiring less energy to produce than motor oil derived from crude oil and resulting in fewer emissions than other potential uses of than other disposal or end uses of used motor oil.

5) What significant burdens or costs, including the costs of compliance, have the rule imposed on firms subject to its requirements?

Obtaining engine oil approval is an expensive process. By referencing the API approval, the Rule minimizes duplication of costs and avoids significant financial burden as a result.

Safety-Kleen would oppose imposing requirements beyond those specified by the API. Any costs for additional testing or requirements would be a burden imposed by the Rule. Any requirements that only apply to recycled oil and not to new oil would be counter to the Rule's purpose. Safety-Kleen supports the Rule continuing to refer to industry accepted standards. This promotes a level playing field for all oils and supports the Rule as currently promulgated.

6) What changes, if any, should be made to the Rule to reduce the burdens or costs imposed on firms subject to its requirements?

See the answer to 4) above.

7) Does the Rule overlap or conflict with other federal, state, or local laws or regulations?

The Rule is consistent with federal efforts to encourage re-refining used oil. The Rule is consistent with Executive Orders 13101 (1998) and 13149 (2000) which direct the federal government to purchase re-refined oil when it is available at the same price and quality as new oil.

The DOE's Used Oil Re-refining Study mentioned above has a good summary of federal, state and local programs. There is no significant overlap between this Rule and other initiatives.

8) Since the Rule was issued, what effects, if any, have changes in relevant technology or economic conditions had on the Rule?

The rising price of crude oil and the political instability in many crude-producing regions has made re-refining more attractive both economically and strategically.

Advances in re-refining technology has led re-refined oil to be warranty approved by all major US auto manufacturers as long as the oil is API approved.

9) Since the Rule was issued, the American Petroleum Institute has published the Fifteenth Edition of Publication 1509. Should the updated version of Publication 1509 be incorporated by reference into the Rule?

Yes. Future updates should be automatically incorporated as well in order to keep the rule "evergreen".